GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1890
ANSWERED ON:05.08.2010
MANUFACTURING OF LIQUOR
Rane Dr. Nilesh Narayan

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Grapes and Cashew are being used to manufacture liquor in various States in the country;

(b) if so, the details thereof;

(c) whether some State Governments are providing incentives/subsidy to such liquor manufacturers;

(d) if so, the details thereof; and

(e) the reaction of the Government thereto?

Answer

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(a): In some States of the country, Grapes and Cashew are being used as raw material for manufacturing Wines and Liquor respectively.

(b): In States like Maharashtra, Karnataka and Goa, Grapes and Cashew are being used for manufacturing Wines and liquor.

(c): Yes, Sir. Some States like Maharashtra and Karnataka are providing incentives/subsidy to liquor/wine manufacturers.

(d): State like Maharashtra is providing 16% VAT refund based on the total MVAT paid @ of 20% by the eligible unit on the sale of wine manufactured from grapes. The State Government in Karnataka has brought in Karnataka Grape Processing and Wine Policy-2007. It is also providing 25% subsidy upto a maximum of Rs.50.00 lakhs for establishment of Horticulture crops processing and value addition industries which also includes grape wine production, and wine industry has also been declared as "Horticulture and Food Processing Industries". The State Govt has simplified rules for issuing license and permits to wineries and also reduced the license fee payable.

(e): Processing of highly perishable horticultural products likes Grapes and other fruits not only add value to the end product but also minimize wastages. It also increases the demands for such raw materials there by leading to better income realization to the growers/farmers.